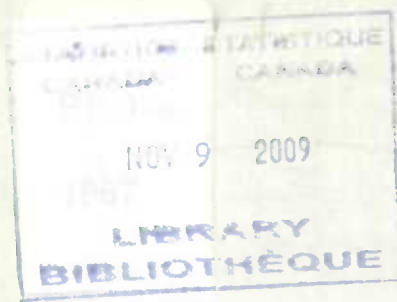


CATALOGUE No.

61-203 c.3

ANNUAL



FEDERAL GOVERNMENT ENTERPRISE FINANCE

1967

(Fiscal Year Ended Nearest to December 31)

ASSETS, LIABILITIES AND NET WORTH
CURRENT REVENUE AND EXPENDITURE

Published by Authority of
The Minister of Industry, Trade and Commerce

DOMINION BUREAU OF STATISTICS

Governments Division

Federal Government Section

June 1969
8503-533

Price: 50 cents

PUBLICATIONS OF THE GOVERNMENTS DIVISION

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SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- p preliminary figures.
- * revised figures.

Note: Figures appearing in footnotes to tables are in thousands of dollars.

NUMBERING OF SUB-ITEMS ON EACH TABLE

Transactions of the enterprises with their own or other levels of government have been isolated whenever appropriate. Throughout this report such transactions are designated by the same numerical categories as follows:

- (i) Federal government
- (ii) Federal government enterprises
- (iii) Provincial governments
- (iv) Provincial government enterprises
- (v) Municipal governments
- (vi) Municipal government enterprises

Transactions with non-governmental bodies are classified under sub-item, (vii) Other.

FEDERAL GOVERNMENT ENTERPRISE FINANCE

1967

(Fiscal Year Ended Nearest to December 31)

ASSETS, LIABILITIES AND NET WORTH CURRENT REVENUE AND EXPENDITURE

INTRODUCTION

This report presents the financial statistics of federal government enterprises in Canada for 1967. This series of publications commenced with data for the year 1958.

The federal government statistical universe in Canada is comprised of: (a) departmental organizations, (b) special funds and agencies, (c) education, health, welfare and administration of justice institutions, (d) trust funds, and (e) enterprises.

The series on federal government enterprises complements the publication, Federal Government Finance (Catalogue No. 68-211), which contains financial data on departmental organizations, special funds and agencies, and institutions, the costs of which must be met from government revenues.

Corresponding data for provincial government enterprises may be found in Catalogue No. 61-204.

Reports dealing with government enterprises are part of the program to enlarge the scope of the public finance statistics to permit the consolidation of all parts of government finance. This broadened framework will permit a more sophisticated evaluation of the impact of government on the economy with respect to its demands on the goods and services produced, its capital formation, its external financing, the redistributive effects on private incomes through its taxing powers and transfer payments, and the significance of its trading operations in industry.

THE CONCEPT OF A GOVERNMENT ENTERPRISE

Government Services

Services provided by present day governments are diverse in their nature, and are carried out by various forms of organization: departments, boards, commissions, crown corporations or other agencies.

Those services of a general nature such as the protection of persons and property, health, education and highways, which are common to most governments, are usually financed out of ordinary revenues or funds repayable out of ordinary revenues. Nominal fees are charged for some general community services, but for the most part there is no direct relationship between the taxes and levies paid by a person and the use or benefit he derives from the services.

Certain other activities of government, however, have quite different characteristics, in as much as they involve the production of economic goods and the provision of services for sale on the market at a price to the consumer which is intended to compensate wholly or largely for their costs, and, in some cases, to yield a profit. The form of organization of this type of undertaking is usually a crown corporation, or a special agency with specific powers, subject to varying degrees of financial control by government and of public accountability. Capital funds are made available by direct loans and advances from government, share

capital subscribed by government, or by outside borrowing usually guaranteed by government. In most cases, the activities of these enterprises are of an outright commercial or industrial nature, conducted in competition with private businesses or sometimes as monopolies. In terms of motivation and behavior, they are more comparable to private business corporations than to institutional or non-commercial organizations with which latter category general government data are ordinarily classified.

For purposes of uniformity and comparability in the recasting of public finance data within an economic and functional classification framework, these two distinct categories of government activity have been segregated into "general government" and "government enterprises".

Government Enterprises

To isolate government enterprise activities, it is necessary to establish certain criteria.

A government enterprise is considered to be an agency of a political, decision-making body which produces goods or services for sale on the open market at a price generally designed to cover costs. An essential feature of an enterprise as

distinguished from a general government operation, is that it charges a price for its service according to use. It is thereby enabled to meet most of its costs from proceeds of sales without recourse to government funds.

An exception is made where a central agency has been set up to provide goods or services mainly to its own or other levels of government; such an agency is treated as a working capital fund of general government as it is subject only to a limited play of market forces due to arbitrary prices. An example of such a fund is the Defence Production Revolving Fund.

There is quite a fine line drawn between a special fund and a government enterprise. In the final analysis the deciding factor is whether or not the individual has a free choice of availing himself of the goods or services provided at a fee determined according to use. Where the individual does not have this choice, the organization is treated for statistical purposes as a special fund and included as part of general government.

Other characteristics of an enterprise, usually evident, are:

- (1) separate legal existence;
- (2) separate accounting records;
- (3) sustained activity;
- (4) commitment of an appreciable volume of capital;
- (5) payment of income tax;
- (6) personnel not subject to Public Service Employment Act;
- (7) maintenance of accounts on the accrual basis;
- (8) depreciation allowances.

No attempt has been made to isolate an enterprise activity that is incidental to a general government service.

STATUTORY AUTHORITIES RELATING TO GOVERNMENT ENTERPRISES

The most common practice in establishing a federal government business enterprise has been to set it up by special act of parliament, which defines its purposes, powers and responsibilities.

During World War II, when the corporate device was extensively employed, the Minister of Munitions and Supply was authorized to procure the incorporation of companies under the Canada Corporations Act (formerly Companies Act). In 1946, the Government Companies Operations Act was passed to regulate the operations of the few companies actually formed under the Companies Act. The financial provisions of the Government Companies Operations Act were repealed, with the enactment in October 1952, of the Financial Administration Act, RSC 1952, c. 116, and amendments.

The Financial Administration Act provides for the financial administration of the Government of Canada, the audit of the public accounts and the

financial control of crown corporations. Financial control is exercised through requirements for parliamentary estimates, capital and operating budgets, financial statements and annual reports supplemented by audits performed by the auditor general, or in a few cases, by independent public accountants.

Three classes of crown corporations are defined and identified in Part VIII of the Financial Administration Act: departmental, agency and proprietary. The enterprises included in this report fall into the latter two classes, except for the Bank of Canada, the Canadian Wheat Board, the Industrial Development Bank and Northern Ontario Pipe Line Crown Corporation, which because of their unique functions, are governed by their own acts of incorporation, and the Canadian Government Elevators operated by the Board of Grain Commissioners for Canada under the provisions of the Canada Grain Act.

FEDERAL GOVERNMENT ENTERPRISES INCLUDED IN THIS REPORT

There were 25 federal government enterprises in operation during 1967. This number does not include the Canadian National (West Indies) Steamships Limited, the Cornwall International Bridge Company Limited (charter surrender application in 1967) and the Northern Ontario Pipe Line Crown Corporation (being wound up in 1967).

A list of the enterprises included in this report, the statutory authority by which they were established, and their main functions follows:

List of Enterprises

Name of enterprise with associated companies indicated by corresponding letters (a) to (d)	Fiscal year end	Responsible Minister or authority	Federal statutory authority	Year of incorporation	Main functions
Air Canada (Trans-Canada Air Lines to Jan. 1, 1965) (b) (subsidiary).	Dec. 31	Minister of Transport	Air Canada Act, RSC 1952, c. 268 and amendments.	1937	To provide scheduled domestic and international air services to North America, the British Isles, continental Europe and the Caribbean.
Bank of Canada (a) ¹	Dec. 31	Minister of Finance	Bank of Canada Act, RSC 1952, c. 13 and amendments.	1934	To regulate credit, and currency, to control and protect the external value of the Canadian dollar and to stabilize the level of production, trade, prices and employment so far as may be possible within the scope of monetary action; to act as fiscal agent for the federal government and manage the public debt.
Canada Deposit Insurance Corporation ¹	Dec. 31	Minister of Finance	Incorporated under the Canada Deposit Insurance Corporation Act, SC 1966-67, c. 70.	1967	To provide, for the benefit of persons having deposits with member institutions, deposit insurance against loss of part or all of such deposits.
Canadian Arsenal Limited	March 31	Minister of Industry	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment.	1945	To manufacture and develop military equipment, ammunition and components to meet the requirements of the armed forces, to maintain the facilities placed in its custody and retain skills required to operate such facilities.
Canadian Broadcasting Corporation	March 31	Secretary of State	Broadcasting Act, SC 1958, c. 22.	1936	To broadcast, produce and distribute national program services in English and in French, in radio and television, domestically and internationally, to operate the International Service on behalf of the federal government, which bears operational and maintenance costs.
Canadian Commercial Corporation	March 31	Minister of Industry	Canadian Commercial Corporation Act, RSC 1952, c. 35.	1946	To assist in the development of trade between Canada and other nations by acting on behalf of the Canadian government as the contracting agency when other countries wish to purchase defence or other supplies and services from Canada on a government-to-government basis and to procure in Canada goods, equipment and facilities which the Government of Canada contributes to other nations under the International Assistance Fund and other aid programs.
Canadian Government Elevators	March 31	Minister of Agriculture	Canada Grain Act, RSC 1952, c. 25 and amendments.	1913	To operate terminal grain elevators under management of the Board of Grain Commissioners for Canada.
Canadian National Railway System(b) ¹	Dec. 31	Minister of Transport	Canadian National Railways Act, SC 1955, c. 29 and amendment.	1919	To operate land, water and air transportation, express, telecommunication and hotel services.
Canadian National (West Indies) Steamships Limited.	Dec. 31	Minister of Transport	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment.	1927	Before the sale of its fleet in August, 1958, the Company maintained direct steamship service to the West Indies under provisions of the West Indies Trade Agreement Act, 1926. (The outstanding financial transactions reflect earnings on investments and the unliquidated equity account.)
Canadian Overseas Telecommunication Corporation.	March 31	Minister of Transport	Canadian Overseas Telecommunication Corporation Act, RSC 1952, c. 42 and amendments.	1949	To operate in Canada and elsewhere external telecommunication services for the conduct of public communication.
Canadian Patents and Development Limited.	March 31	Chairman of the Committee of the Privy Council on Scientific and Industrial Research	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment; Research Council Act, RSC 1952, c. 239 and amendment; Public Servants Inventions Act, 1953-54, c. 40, s. 15.	1948	To make available to industry and others through licensing arrangements inventions arising from the work of the National Research Council laboratories and to handle, by contract, inventions from a number of Crown agencies and universities.
The Canadian Wheat Board ¹	July 31	Minister of Finance	Canadian Wheat Board Act, RSC 1952, c. 44 and amendments.	1935	To market in an orderly manner in the interprovincial and export trade, grain grown in Western Canada.
Central Mortgage and Housing Corporation.	Dec. 31	Hon. J.R. Nicholson	Central Mortgage and Housing Corporation Act, RSC 1952, c. 46 and amendments; (also National Housing Acts, SC 1953-54, c. 23 and amendments.)	1945	To insure mortgage loans on new housing made by approved lenders; make direct loans to certain borrowers; buy and sell mortgages; assist other levels of government in urban redevelopment, land assembly and housing projects; own housing and administer housing projects for other government departments; make loans for municipal sewage treatment projects.

¹ For further detail see following commentary.

List of Enterprises - Continued

Name of enterprise with associated companies indicated by corresponding letters (a) to (d)	Fiscal year end	Responsible Minister or authority	Federal statutory authority	Year of incorporation	Main functions
Cornwall International Bridge Company Limited (d) (Subsidiary).	Sept. 30	Minister of Transport	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment; St. Lawrence Seaway Authority Act, RSC 1952, c. 242 and amendments.	1957	As a subsidiary of the St. Lawrence Seaway Authority of Canada and the St. Lawrence Seaway Development Authority (American), the company operated a toll bridge between Cornwall, Ontario, and Massena, New York, until July 1, 1962. (Affairs were wound up during 1967.)
Crown Assets Disposal Corporation ...	March 31	Minister of Industry	Surplus Crown Assets Act, RSC 1952, c. 260.	1949	To dispose of surpluses originating with the various government departments and crown corporations; to act as agent of foreign governments in the disposal of their surpluses in Canada; to make agency arrangements with governments for the disposal of Canadian surpluses located in their countries. (Formerly War Assets Corporation, established in 1944 to replace War Assets Corporation Limited which had been incorporated in 1943).
Eldorado Aviation Limited (c) (Subsidiary).	Dec. 31	Minister of Energy, Mines and Resources	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment.	1953	To carry air traffic, both passenger and freight, for Eldorado Mining and Refining Limited and Northern Transportation Company Limited.
Eldorado Mining and Refining Limited (c).	Dec. 31	Minister of Energy, Mines and Resources	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment.	1944	Mining and refining of uranium and the production of nuclear fuels in Canada; also acts as agent of the federal government in the procurement of uranium ore concentrates from private producers in Canada for ultimate buyers.
Export Credits Insurance Corporation	Dec. 31	Minister of Trade and Commerce	Export Credits Insurance Act, RSC 1952, c. 105 and amendments.	1944	To insure Canadian exporters against non-payment by foreign buyers arising from credit and political risks involved in foreign trade; to provide financing in respect of export transactions involving extended credit terms.
Farm Credit Corporation ¹	March 31	Minister of Agriculture	Farm Credit Act, SC 1959, c. 43 and amendments, and Farm Machinery Syndicates Credit Act, SC 1964-65, c. 29.	1959	To provide long-term mortgage credit to Canadian farmers and make loans for purchase of farm machinery for co-operative use.
Industrial Development Bank (a) (Subsidiary).	Sept. 30	Minister of Finance	Industrial Development Bank Act, RSC 1952, c. 151 and amendments.	1944	To provide loans and equity financing and participate in underwriting agreements with small and medium sized Canadian businesses where required financing is not available from other sources on reasonable terms and conditions.
National Harbours Board	Dec. 31	Minister of Transport	National Harbours Board Act, RSC 1952, c. 187 and amendments.	1936	Administration of certain port facilities, grain elevators and bridges.
Newfoundland Car Ferry ²	March 31	Minister of Transport	Ferries Act, RSC 1952, c. 114.	1952	Operation, on behalf of the federal government, of ferry service between Port-aux-Basques, Nfld., and North Sydney, N.S. by Canadian National Railway as part of its non-rail service.
Northern Canada Power Commission....	March 31	Minister of Indian Affairs and Northern Development	Northern Canada Power Commission Act, RSC 1952, c. 196 and amendment.	1948	To provide power to areas in the Northwest Territories and Yukon Territory on a self-sustaining basis and with the approval of the Governor in Council, in any other part of Canada; to act as agent for the Government of Canada in respect of loans made under the Atlantic Provinces Power Development Act.
Northern Ontario Pipe Line Crown Corporation.	Dec. 31	Minister of Energy, Mines and Resources	Northern Ontario Pipe Line Crown Corporation Act, SC 1956, c. 10.	1956	The Northern Ontario Section of all Canadian natural gas pipeline was sold to Trans-Canada Pipe Lines Limited on May 29, 1963. (Affairs still being wound up at year-end 1967.)
Northern Transportation Company Limited (c) (Subsidiary).	Dec. 31	Minister of Indian Affairs and Northern Development	Incorporated under the Canada Corporations Act, RSC 1952, c. 53 and amendment.	1947	To carry on water transportation in the Mackenzie River watershed for its parent corporation, and to handle D.E.W. line freight.

¹ For further detail see following commentary.² Finances consolidated with those of C.N.R. except for fixed assets owned by federal government.

List of Enterprises - Concluded

Name of enterprise with associated companies indicated by corresponding letters (a) to (d)	Fiscal year end	Responsible Minister or authority	Federal statutory authority	Year of incorporation	Main functions
Polymer Corporation Limited ¹	Dec. 31	Minister of Industry	Incorporated under the Canada Corporations Act, RSC 1952, c. 53, and amendment.	1942	Production of synthetic rubber products, plastics and some chemicals; owns five subsidiaries, Polymer Corporation (SAF), Polysar Belgium N.V., Polysar Nederland, N.V., Polysar International S.A., and Polysar Italiana S.p.A., all foreign-incorporated. The financial transactions of the Canadian parent company only are included in the following statistics.
Prince Edward Island Car Ferry ²	Dec. 31	Minister of Transport	Ferries Act, RSC 1952, c. 114.	1933	Operation, on behalf of the federal government, of ferry service between Borden, P.E.I. and Cape Tormentine, N.B. by the Canadian National Railway as part of its rail service.
The St. Lawrence Seaway Authority (d)	Dec. 31	Minister of Transport	St. Lawrence Seaway Authority Act, RSC 1952, c. 242 and amendments.	1951	Operation, in conjunction with its American counterpart, from April 25, 1959, of the Seaway system between Montreal and Lake Erie constructed in the years 1954 to 1959; operation and administration of non-toll canals transferred from the Department of Transport to the Authority by Order-in-Council, P.C. 1959-204.
The Seaway International Bridge Corporation Limited (d) (Subsidiary).	Dec. 31	Minister of Transport	St. Lawrence Seaway Authority Act, RSC 1952, c. 242 and amendments.	1963	To operate a toll bridge between Cornwall, Ontario and Massena, New York.
Yarmouth-Bar Harbour Ferry	Dec. 31	Minister of Transport	Ferries Act, RSC 1952, c. 114.	1955	Operation of ferry service between Yarmouth, N.S. and Bar Harbour, Maine, by the Canadian National Railway Company on behalf of the federal government on a management fee basis.

¹ For further detail see following commentary.

² Finances consolidated with those of C.N.R. except for fixed assets owned by federal government.

Canada Deposit Insurance Corporation

In April, 1967 the Canada Deposit Insurance Corporation Act came into force. The prime purpose of the Act is to provide, for the benefit of persons having deposits with member institutions, deposit insurance against loss of part or all such deposits. The Corporation was established as the agency responsible for the administration of the Act.

Member institutions are federally incorporated loan and trust companies and banks (included automatically under the Act) and provincially incorporated loan and trust companies (upon specific application). As at December 31, 1967 there were 69 member institutions, 28 of which were federally incorporated.

During 1967, the Province of Quebec established the Quebec Deposit Insurance Board whose prime purpose is to provide similar deposit insurance. In order to avoid duplication of coverage, an agreement was reached between the Government of Canada and the Government of Quebec as to their particular spheres of action.

Explanatory Comment on Certain Enterprises

Explanatory comments on the operations of certain of the enterprises follow.

Bank of Canada

Although the Bank of Canada is classified as a federal government enterprise, its financial data are not included in the overall totals of enterprise transactions published in Tables 1 to 5. The specialized terminology used by the Bank of Canada for some of its balance sheet items, by reason of its unique functions, affords, at best, an awkward fit to the conventional nomenclature adopted for this statistical presentation. However, for the convenience of users of these financial statistics, who may wish to incorporate available Bank of Canada figures into the relevant totals. Tables 6, 7 and 8 present comparative income, surplus account and balance sheet for 1967 and 1966 within the enterprise classification framework, with a breakdown of the items included under pertinent headings.

Canadian National Railways

The consolidated accounts of the Canadian National Railway System included thirty-two companies at the end of 1967.

In addition to those companies included in the System's corporate structure, there are several affiliated companies in which it holds fifty per cent or less claim of ownership. Only the amount of the investment in these affiliates is reflected in the statistics. Air Canada, one of the System's wholly-owned subsidiaries, is treated as a separate federal government enterprise and its transactions with the parent company have been segregated.

Adjustments are made to the System accounts to show the revenues and expenditures of the Canadian National hotels on a gross basis and to transfer the contributions by the federal government for the operating deficits of the Newfoundland Car Ferry and the Prince Edward Island Car Ferry from current revenue to surplus account.

The Canadian Wheat Board

The Canadian Wheat Board was incorporated under the Canadian Wheat Board Act to market, in an orderly manner, in the interprovincial and export trade, grain grown in Canada. The net profits on the operations of the pool accounts accrue not to the federal government, but to the grain producers. In this respect, it differs from other government business enterprises. Notwithstanding the special nature of its functions, however, the Canadian Wheat Board is treated in this report as a federal government enterprise. Its financial data cover the fiscal years ended July 31st, and involve not only the interim transactions of the current crop year, but also the results of the operations of the previous year's wheat, oats and barley pool accounts during the same period.

Farm Credit Corporation

The Farm Machinery Syndicates Credit Act proclaimed on December 11, 1964 provided the Farm Credit Corporation with authority to make loans to qualified syndicates of three or more farmers to purchase farm machinery for their co-operative use. The Corporation began to accept applications under the Act in January 1965.

Northern Canada Power Commission

The wholly-owned subsidiary companies, The Dawson City Water and Power Company, Limited, the Dawson Electric Light and Power Company, Limited, and the Yukon Telephone Syndicate, Limited ceased to operate as separate entities during 1967. Their assets were taken over and their liabilities and operations assumed by Northern Canada Power Commission.

Polymer Corporation Limited

At December 21, 1965, Polymer Corporation Limited held a 95 per cent equity in a subsidiary company, Polymer Corporation (SAF) and a 100 per cent equity in three others: Polysar Belgium N.V. Polysar Nederland N.V. and Polysar International S.A. Polymer Corporation (SAF) was incorporated under the laws of France in January 1961 and its special purpose rubber plant located near Strasbourg commenced operations in the fall of 1962. Polysar Belgium N.V. was formed under the laws of Belgium in December 1961 and production of butyl rubber at its plant near Antwerp started late in 1963. Polysar Nederland N.V., which is a holding company, was incorporated in accordance with the laws of Holland in May, 1962. During 1966 another subsidiary was formed, Polysar Italiana S.p.A., Milan, Italy. This subsidiary is owned jointly by Polysar Belgium N.V., and Polysar International S.A. Polysar International S.A. was incorporated under Swiss law, in June 1962 for the purpose of marketing all Polymer products outside of North America. Through its subsidiaries, Polymer Corporation Limited is participating in synthetic rubber projects in Mexico and South Africa.

The financial statistics of the Canadian operations only are included in this report.

Comparison with Coverage in National Accounts

The amounts shown as net profit or loss before provision for income tax (Table 2, Expenditure, Item 6) and provision for depreciation (Table 2, Expenditure, Item 2) do not agree with those currently incorporated in the National Accounts as government investment income and capital consumption allowances, respectively, because of difference in coverage and the inclusion of imputed items in the National Accounts series.

To convert to "National Accounts", the following adjustments to these items are necessary:

- (a) Additions to both items of amounts for Bank of Canada and Canadian Corporation for the 1967 World Exhibition;
- (b) Additions to "net profit" only of estimates for the Exchange Fund Account, Post Office, Veterans' Land Act, imputations for banking services provided to the federal government without specific charge (revenue), and a portion of the net imputed rent on government-owned buildings (revenue);
- (c) Deductions from both items of amounts for Canadian Broadcasting Corporation, The Canadian Wheat Board and Crown Assets Disposal Corporation.

Comparison with Coverage in Volume III in Public Accounts

The financial statements of all Crown Corporations as listed in the Financial Administration Act

are included in Volume III of the Public Accounts of Canada. The following are not classified as federal government enterprises for purposes of this report: Atomic Energy of Canada Limited, Canadian Corporation for the 1967 World Exhibition, the Canadian National Railways Securities Trust, Centennial Commission, Defence Construction (1951) Limited, The National Battlefields Commission and the National Capital Commission. They are excluded as they do not conform with established government enterprise criteria.

Organizations not included in Volume III of the Public Accounts, but which do meet the established government enterprise criteria and are accordingly

included in this publication are the Newfoundland Car Ferry, Prince Edward Island Car Ferry and Yarmouth-Bar Harbour Ferry. These are operated by the Canadian National Railways on behalf of the federal government.

For purposes of accounting and financial control, the Canadian Government Elevators function in the same manner as a branch of a department of the Government of Canada and, although included in these statistics, is not a Crown Corporation. Its financial statements are printed as an appendix to the section of the Public Accounts dealing with the Department of Agriculture.

FINANCIAL STATISTICS OF FEDERAL GOVERNMENT ENTERPRISES

Source of Data

The sources of the financial data are the published annual reports of the crown corporations, supplemented by additional information obtained from corporation or departmental officials. The assistance of these officers is gratefully acknowledged.

The series on wages and salaries paid to employees of federal enterprises is, for the most part, based on data obtained by the Government's Division for the publication "Federal Government Employment" (Catalogue No. 72-004).

Capital Revenue and Expenditure

Comprehensive statistics on capital revenue, capital expenditure and the source and application of funds of federal enterprises are not available at this time, except in so far as changes in the balance sheet accounts reflect these transactions on a net basis.

Estimates of expenditures of a capital nature by federal government enterprises are published in the publication, "Private and Public Investment" (Table 8), prepared jointly by the Business Finance Division of the Dominion Bureau of Statistics, and the Economics Branch of the Department of Trade and Commerce. According to this source, capital expenditures of federal enterprises for the year 1967 were \$427 million. The comparable actual figure for 1966 was \$456 million.

Classification of Enterprises by Industry Group

The financial statistics presented in this report have been classified according to the broad industry groups in which the enterprises participate, as set out in the Standard Industrial Classification Manual (1960) of the Dominion Bureau of Statistics.

The groups pertaining to federal government enterprises are: (1) transportation, communication and other utilities with sub-groups of transportation, storage, communication and electric power; (2) wholesale trade; (3) manufacturing; (4) finance, insurance and real estate and (5) public administra-

tion. Statistics for enterprises classified under wholesale trade and manufacturing have been combined in this report. Statistics under public administration, what relate solely to the Canadian Patents and Development Limited, have been combined with finance, insurance and real estate.

Although the "establishment" is the Bureau's standard unit for obtaining basic statistical data by industry on output, cost of materials, supplies, fuel and electricity and employment and payrolls, some establishments are unable to report overhead costs charged to them and therefore cannot show their net trading profits. Thus the appropriate unit for reporting financial data is the "firm". Sometimes even the firm cannot report all financial data and it is necessary to resort to "enterprise" data; an enterprise in this sense, being a firm or an aggregation of firms (in some cases in widely different industries) which are associated with one another through common management and financial control.

The standard industrial classification of federal government enterprises, applied in these statistics at the "enterprise" rather than at the "firm" or "establishment" level has resulted in a few aberrations. For example, Eldorado Mining and Refining Limited has been included in the manufacturing industry, although some of its operations are more properly classed under mining. The Canadian National Railway System accounts, as presently consolidated, cut across the transportation, financial and personal service industries. All of these activities are grouped with the transportation function.

Financial Classification and Terminology

To fit the particular needs of an economic and/or functional classification of public finance data, and to stress the interrelatedness of government enterprise transactions with general government departments and agencies, the nomenclature of the items used in both schemes has been retained in so far as possible.

In an economic classification scheme, the current revenue and expenditure account takes the form of a trading and profit and loss statement as in a private corporation. The classifications used

in the balance sheet accounts have been adopted after due consideration of the varied nature of the government businesses involved.

No attempt has been made in this report to segregate current assets or liabilities from those of a long-term existence, except in so far as they may fall into these categories by reason of the use of the conventional commercial presentation of the balance sheet accounts, which lists the items, more or less, in order of their liquidity.

Transactions of the enterprises with their own or other levels of government have been isolated in this report, whenever appropriate, by use of the following sub-items:

- (i) Federal government
- (ii) Federal government enterprises
- (iii) Provincial governments
- (iv) Provincial government enterprises
- (v) Municipal governments
- (vi) Municipal government enterprises

Transactions with non-governmental bodies are classified under sub-item, (vii) Other.

Transactions with subsidiary and affiliated enterprises are indicated by footnotes. A subsidiary is defined as a corporation (government or non-government) in which the parent government enterprise holds more than fifty per cent ownership; an affiliate is a corporation in which its ownership claim is fifty per cent or less.

While some of the definitions and terminology have been taken from reference manuals on financial statistics of provincial and municipal governments, particularly the latter, in many instances it has been necessary to prepare an explanation of a term in accordance with its application to government enterprise statistics.

For purposes of interpreting this report, the following definitions (or explanations) of certain assets, liabilities, revenues and expenditures are presented.

ASSETS

Item 1. Cash on hand and on deposit, including currency and other forms of exchange, on hand, or on deposit, in a bank or other depository, which is unrestricted as to use by the management for disbursements of any nature. Short-term deposits, and deposits with the Receiver General of Canada and Provincial Treasurers are included.

Cash held in funds created for specific purposes is shown under restricted funds, item 11.

Item 2. Accounts receivable are amounts claimed against debtors, usually money rights arising from the sale of goods or services.

Provisions for bad debts, where shown separately, have been offset against accounts receivable.

Item 3. Inventories are recorded at book value for finished goods, goods in process and raw materials held in stock, on consignment and in transit. Operating supplies and small tools and equipment, which are in some cases, set up as prepaid expenses, are included.

Item 4. Interest, dividends and rents receivable constitute financial income due but not received, as distinct from income of this kind owing but not due, which is included in accrued revenue.

A significant amount is included in the "Other" sub-item as detailed debtor information is not normally set out in the source data used in the compilation of this publication. The same condition applies to asset items 5.1 and 8.

Item 5. Accrued revenue is income that has been earned but is not yet due.

This type of revenue is mostly in the form of interest, which has been set up as sub-item 1 under this classification.

Item 6. Prepaid expenses are short-term expenses which are expected to yield their benefits in the next financial year and meanwhile are carried forward to be assigned to expense in the next financial year.

Long-term expense prepayments, such as tooling and development costs, are classified as deferred charges.

Item 7. Fixed assets. In this publication, fixed assets are deemed to be long-term assets, such as land, buildings or equipment held for use or sale.

Property held for sale by financial enterprises has been included under fixed assets. For some studies, it may be desirable to exclude properties intended for sale, and for this reason, the amounts involved are shown in a footnote.

Fixed assets are recorded at the values carried on the balance sheet, less accumulated depreciation. The amount of accumulated depreciation is indicated by a footnote.

Progress payments on new construction or on the purchase of equipment are included.

Item 8. Loans and advances receivable. Loans receivable are amounts owing by other government bodies, individuals, firms or corporations, as a result of monies loaned, as distinguished from accounts receivable which result from the supply

of goods or rendering of services, and advances receivable which pertain to funds advanced with respect to a liability which will only become due sometime in the future. Examples of advances receivable are advances on salaries or travelling expenses.

Item 9. Securities held as investments. Negotiable bonds and stocks purchased with the object of employing funds which may have been set aside for some future use, but are not restricted by legislation or regulation to this use.

Also included are investments in other government enterprises which are not actually negotiable, but hold the expectation of earning a return in the form of dividends.

Negotiable papers provided by a borrower as security for a loan have been excluded, the asset having already been classified as a loan receivable.

Securities held in restricted funds appear under item 11 below.

Securities held as investments are classified under eight sub-groups.

1. Federal government treasury bills.
2. Federal government direct and guaranteed bonds.
3. Provincial government treasury bills.
4. Provincial and municipal government direct and guaranteed bonds.
5. Notes of companies incorporated in Canada and of institutions.
6. Bonds of companies incorporated in Canada and of institutions.
7. Preferred and common stocks, Canadian, with sub-item for subsidiary government enterprises.
8. Foreign investments, with affiliated corporations indicated by a footnote.

Item 10. Mortgages and agreements for sale. A mortgage is the creation of an interest in real property in favour of a mortgagee as security for the repayment of a debt by the mortgagor.

An agreement for sale is a contract between the owner of property and the purchaser pursuant to which the owner agrees to convey his interest to the purchaser upon payment of the balance of the purchase price.

Item 11. Restricted funds. These are assets held either by the enterprise or by a trustee for such purposes as the future payment for an asset or a service, the payment of an existing, real or contingent liability, or the retirement of debt. These funds may be created voluntarily or by reason of obligation commitments, and are usually held in the form

of cash or investments. These funds are included under this item rather than under cash on hand and on deposit (item 1) and securities held as investments (item 9) to emphasize the restrictions as to their use in the operations of the enterprise. Details of the composition of the funds are recorded in Table 4.

Three types of restricted funds have been identified, namely: (1) depreciation funds; (2) trust and deposit accounts; and (3) other funds.

Only the funds belonging to the enterprises, held on own account or by a trustee, are included in this statistical series. Trust and deposit accounts such as contractors' security deposits and staff savings funds have been offset against the contra liability item.

Item 12. Deferred charges are long-term expense prepayments; expenditures, other than capital expenditures, the benefit of which will extend over a period of years from the time of incurrence and meanwhile are carried forward to be assigned to expense over a period of years. Bond discount and redemption expenses, and tooling and development costs are typical examples of deferred charges.

Item 13. Other assets. This classification embraces all asset items not elsewhere classified. Amounts due on deficit account, mainly from the parent government, are classified as a sub-item. Other types of assets contained herein are insurance claims recoverable and debit balances in suspense.

LIABILITIES

Item 1. Accounts payable are amounts owing to creditors, usually money rights arising from the purchase of goods and services.

Item 2. Temporary loans, advances and notes payable include amounts owing to banks or other sources of direct borrowings by the enterprise for the purpose of temporary financing, in addition to advances and prepayments on short-term contracts.

Item 3. Interest payable represents amounts due and unpaid in the form of interest, as distinct from interest owing but not due which is included in accrued expenditure.

Item 4. Accrued expenditure consists of obligations that have been incurred up to a given date, but have not been paid and are not payable until a future date.

Item 5. Long-term loans and advances constitute amounts owing to the parent government, banks or other sources of borrowing by the enterprise, or for purposes of other than temporary financing, and advances on long-term contracts. Non-negotiable bonds and notes held by the parent government or enterprise are included here.

Item 6. Long-term debt. The long-term debt of an enterprise is usually in the form of bonds and debentures, issued and unmaturing (including debentures assumed) undifferentiated as to holder. Mortgages and agreements for sale are other types of long-term indebtedness.

Item 7. Deferred credits are credits for income not yet earned.

Revenue that has been received, but is applicable to a future period, and unamortized premium on bonds are examples of deferred credits.

Item 8. Trust and deposit accounts represent liabilities for contractors' security deposits and staff savings funds for which contra assets accounts are not separately identifiable. All balances in asset item 11.2 (Restricted funds: Trust and deposit accounts) have been offset against this liability.

Reserves

In this publication a reserve is deemed to be an amount which has been appropriated or provided for undetermined future losses on assets, future expenditures, working capital, or contingencies. The appropriation or provision for a reserve appears in the current expenditure or surplus statement as required or permitted by statute.

Item 9. Liability reserves. This item comprises provisions for future income taxes, for estimated liabilities such as loss on foreign exchange and workmen's compensation awards and insurance against fire losses, accidents, etc.

Provisions for estimated decreases in the value of assets have been offset to the appropriate asset accounts.

Reserves for contingencies which may or may not arise, and other types of reserves which theoretically represent a part of net worth, such as sinking fund reserves, reserves for plant expansion and reserves for unrealized profit in appraisal, have been classified as **Equity reserves (item 11.5)**.

Item 10. Other liabilities. This item includes all liabilities not elsewhere specified.

Item 11. Proprietary equity (net worth) is the excess of assets over liabilities.

Six types of equity have been distinguished: (1) capital stock, issued and fully paid; (2) interest-free working capital; (3) fixed assets, constructed or acquired by the parent government and transferred to the enterprise for use in business; (4) other equity, such as paid-in capital, assets transferred, equity in replacement of loans outstanding, etc.; (5) loans outstanding converted to equity; and (6) unappropriated surplus, the residual or balancing item in the balance sheet. Surpluses arise from earnings on operations, extraneous profits such as

those derived from sales of fixed assets and investment securities, changes in appraisal values of fixed assets and contributions from governments or others.

The net transactions of surplus accounts during the accounting period are set out in separate tables in this report.

REVENUE AND EXPENDITURE

Cash vs. Accrual Basis of Accounting

If revenues and costs are reflected in the accounts in the period in which the related cash receipts or disbursements occur, the accounts are maintained on a cash basis. If, on the other hand, revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of cash or its equivalent, the system of accounting is said to be on an accrual basis.

Practically all government enterprises maintain their records on an accrual basis.

Revenue

Revenue consists of amounts received and receivable and available to meet expenditures that neither increase any liability or reserve, nor represent the recovery of an expenditure.

Current revenue is derived from the sale of goods and services in the normal course of business, financial or non-operating income in the form of interest and foreign exchange on investments, rents, and contributions from government.

Capital revenue comprises proceeds from the sale of fixed assets and contributions towards expenditures of a capital nature.

Current Revenue

Item 1. Revenue from sales and services on current operations. Sales of goods bought for resale and sales of goods and services produced as part of the current operations of government enterprises are included here. Sales are deemed to be valued at actual prices charged, net of any rebates or discounts.

Sales to governments are not differentiated.

Item 2. Financial income is in the form of interest on bank deposits, investments and loans, and of foreign exchange and dividends.

Interest received from government and other government enterprises on these accounts is separately indicated.

Item 3. Rental income is derived from the hiring out of such fixed assets as buildings and machinery and equipment, primarily to non-government bodies. Government agencies who rent buildings, equipment and machinery, primarily to government bodies, are treated as working capital funds in public finance statistics.

Item 4. Contributions from own or other levels of government represent grants and payments from government bodies in respect of current operating expenditure by enterprises, other than subsidies or re-imbursements for deficits incurred. Amounts received from governments on account of deficits, incurred by enterprises in current or prior years, are excluded from current revenue and shown in surplus account transactions.

Item 5. Other current revenue is income of a current nature not elsewhere specified.

Expenditure

An expenditure is a charge incurred for any purpose whether or not paid.

Current expenditure includes purchases of both tangible and intangible items whose values expire or are used up within the fiscal period, and are properly chargeable to expense accounts. Labour and material costs, interest on debt, and depreciation allowances are examples of expenditures charged to current expense accounts.

Capital expenditure is any expenditure that results in the acquisition of, or addition to, fixed assets.

Current Expenditure

Item 1. Costs of goods and services sold in current period.

(1) **Wages and salaries.** This item represents the gross salaries, wages, living allowances, bonuses and commissions paid by government enterprises, in cash and in kind, to hired employees in Canada and abroad, in return for labour services. Retroactive wage increases, commissions and bonuses are included in the periods in which they are paid rather than the periods in which they are earned.

Except for a few isolated cases, it has not been possible to delete the labour costs on capital works constructed by the enterprises' own labour force or on development expenses. To this extent, the cost of salaries and wages on current account is overstated.

Supplementary labour costs such as contributions to pension funds, employee welfare funds, unemployment insurance, and workmen's compensation have been included in sub-item 1.3.

(2) **Net drawings on (+) or net additions to (-) inventories** represent the value of the net change over the accounting period in the volume of stock purchased or manufactured.

The valuations shown for this item are those reported for the opening and closing inventories in the trading accounts of the enterprises.

(3) **Other purchases of goods and services for current operations.** This item embraces all current purchases of goods and services, net of rebates and discounts, other than for compensation of employees (sub-item 1.1), interest on debt (item 3), and the fixed charge of provision for depreciation (item 2). In addition to purchases of materials, it includes supplementary labour costs such as employers' contributions to social insurance and pension funds, and also fuel and electricity, office expenses, repairs and maintenance and some expenditures of a capital nature charged to current account.

The adjustment for current purchases or production added to inventories or for prior years' stores drawn therefrom, is made in sub-item 1.2.

Item 2. Provisions for depreciation and replacement. The provision for depreciation and replacement of fixed assets is recorded at the amount charged by the enterprise, regardless of method of computation.

Item 3. Interest on debt. Interest on debt is mainly on bonds and debentures, undifferentiated as to payee, or on loans and advances by the parent government or affiliated enterprises. The inter-governmental agency transactions are shown separately.

Interest on debt due to non-government entities also includes interest on commercial debt in the form of bank overdrafts and other business credit.

Item 4. Other current expenditure comprises allowances for doubtful accounts, foreign exchange and non-operating expenses charged against the current year's revenue such as amortization of bond discount and bond redemption expenses, charges for depletion, amortization of preproduction and development expenses, lay-up expenses and any contributions of enterprises to own or other levels of government.

Item 7. Estimated income tax. On January 1, 1952, federal proprietary crown corporations became liable for the payment of taxes on income earned as are privately owned corporations. During 1967 only five of the enterprises reported provision for income tax.

ANALYSIS OF DATA

Table 1 shows the assets, liabilities and net worth of federal government enterprises as at the fiscal year end nearest to December 31, 1967, classified by the categories described in the preceding section entitled "Financial Classifications and Terminology".

The absolute and per cent change in the group components between 1967 and 1966, and their proportion to the total, are pointed up in the following tables:

Comparative Combined Statement of Assets, Liabilities and Net Worth as at Fiscal Year Ends Nearest to December 31¹

	1967	1966	Absolute change	Per cent change ²
			1967/66	1967/66
millions of dollars				
Assets				
Cash	99	147	- 48	- 32.7
Accounts receivable	415	381	34	8.9
Inventories	809	800	9	1.1
Fixed assets	5,011	4,821	196	4.1
Investments, including loans and advances and restricted funds	5,779	4,696	1,083	23.1
Other assets	191	167	24	14.0
Totals	12,310	11,012	1,298	11.8
Liabilities and net worth				
Accounts payable	591	572	19	3.3
Long-term loans and advances and debt	7,837	6,714	1,123	16.7
Liability reserves	395	312	83	26.6
Other liabilities	634	550	84	15.3
Proprietary equity (net worth)	2,853	2,864	- 11	- 0.4
Totals	12,310	11,012	1,298	11.8

¹ Excludes Bank of Canada.

² Based on unrounded data.

Components of Assets, Liabilities and Net Worth as a Percentage of the Total as at Fiscal Year Ends Nearest to December 31¹

	1967	1966
Assets		
Cash	0.8	1.3
Accounts receivable	3.4	3.5
Inventories	6.6	7.3
Fixed assets	40.9	43.8
Investments, including loans and advances and restricted funds	46.8	42.6
Other assets	1.5	1.5
Totals	100.0	100.0
Liabilities and net worth		
Accounts payable	4.8	5.2
Long-term loans and advances and debt	63.6	61.0
Liability reserves	3.2	2.8
Other liabilities	5.2	5.0
Proprietary equity (net worth)	23.2	26.0
Totals	100.0	100.0

¹ Excludes Bank of Canada.

Assets

The assets of the federal government enterprises, excluding the Bank of Canada, were valued at \$12,310 million at the end of 1967. This was an increase of \$1,298 million or approximately 12 per cent over the total at the end of 1966. Of the total assets, 46 per cent were held by the transportation, storage, communication and electric power enterprises, 44 per cent were held by the finance, insurance, real estate and other enterprises with the remaining 10 per cent being held by the wholesale trade and manufacturing enterprises.

Investments, including loans and advances and restricted funds, at \$5,780 million represented 47 per cent of the total and accounted for \$1,084 million of the increase in total assets.

Asset item 10 (Table 1), mortgages receivable and agreements for sale, includes mortgage loans for housing of \$2,927 million. Mortgage loans under the National Housing Act increased by \$620 million during 1967, those under the Farm Credit Act by \$167 million.

Loans for university housing and for municipal sewage treatment projects increased by \$34 million and \$22 million respectively during 1967. Loans for long-term financing of the export sale of capital goods and related engineering and technical services increased by \$26 million over those outstanding at the end of 1966. Industrial Development Bank loans increased by \$35 million during 1967. Advances made by the Canadian Commercial Corporation to suppliers of goods procured for other countries increased by \$22 million during 1967.

An analysis of securities held as investments, including those in restricted funds, is provided in Table 4. Total securities holdings increased by \$36 million over 1966. The footnotes to this table include an analysis of other assets, including a \$141 million obligation of the Government of Canada under Section 21A of the Export Credits Insurance Act, held in the restricted funds.

Fixed assets (net of depreciation) valued at \$5,017 million and constituting 41 per cent of total assets increased by \$196 million over 1966. Enterprises recording the largest increase were, Air Canada, \$84 million; Canadian National Railway, \$43 million; the St. Lawrence Seaway Authority, \$21 million and the National Harbours Board \$13 million. The balance of the increase is made up of smaller amounts for several enterprises.

Liabilities

An increase of \$30 million in temporary loans and advances occurred mainly in the Canadian Wheat Board transactions.

Long-term loans and advances amounted to \$8,538 million at the end of the year, an increase of \$1,252 million over 1966.

Additional loans and advances of \$1,132 million were made by the Government of Canada to its enterprises during 1967. Included in this amount were \$675 million for loans under the National Housing Act, \$10 million for investment under Federal-Provincial Agreements, \$162 million for farm credit, \$237 million for transportation, harbour and seaway facilities and \$27 million for export credits. The Canadian Broadcasting Corporation borrowed an additional \$18 million for capital purposes.

Loans and advances by parent enterprises to subsidiaries include bonds and debentures due to the parent, as these are considered non-marketable. The contra-asset holdings of the parent enterprise classified as loans and advances receivable. During 1967 the Industrial Development Bank borrowed an additional \$30 million from its parent, the Bank of Canada and Air Canada borrowed an additional \$67 million from its parent, the Canadian National Railways.

Long-term loans and advances - Other, increased by \$64 million during 1967.

Essentially all of the long-term debt shown in Table 1 represents bonds and debentures of the Canadian National Railways due to the public and guaranteed by the federal government.¹

Reserves for estimated future liabilities were credited with a net amount of \$83 million during 1967.

Net Worth

The net worth of federal enterprises at the end of the year under review was \$2,853 million, a decrease of \$11 million from the previous year. Most of the equity is held by the federal government directly or through its enterprises.

The principal exceptions are: accumulated profits of the Canadian Wheat Board of \$227 million which are distributable to grain producers; equity of the Export Finance Corporation of Canada Limited amounting to \$15 million in notes receivable under the administration of the Export Credits Insurance Corporation and railway capital stock valued at \$4 million held by the public.

Capital stock valued at \$44 million was issued by federal enterprises during 1967: \$31 million by the Canadian National Railways and \$10 million by the Canada Deposit Insurance Corporation both

¹ For a statement of contingent liabilities of the federal government, including railways' securities and other guarantees of federal government enterprises' transactions, see "Federal Public Accounts, 1967-1968, Vol. 1," p. 7.88.

amounts issued to the federal government and \$3 million by the Industrial Development Bank to its parent the Bank of Canada.

The decrease in unappropriated surplus is commented upon under the heading "Net Surplus Transactions" below:

Comparative Combined Statement of Revenue, Expenditure and Net Profit for Fiscal Years Ended Nearest to December 31¹

	1967	1966	Absolute change	Per cent change ²
			1967/66	1967/66
	millions of dollars			%
Revenue				
Revenue from sales and services on current operations	2,950	2,859	91	3.2
Financial income	293	239	54	22.6
Other income	186	195	- 9	- 4.5
Totals	3,429	3,293	136	4.1
Expenditure				
Cost of goods sold from current operations	2,676	2,488	188	7.6
Depreciation	181	172	9	5.3
Interest	342	291	51	17.4
Other	12	11	1	9.1
Totals	3,211	2,962	249	8.4
Net profit before income taxes	218	331	- 113	- 34.1

¹ Excludes Bank of Canada.

² Based on unrounded data.

Current Revenue and Expenditure

Details of revenue and expenditure for 1967 and the resultant net profit are provided in Table 2. The net profit for 1967, before income tax, was \$218 million, a decrease of \$113 million from the \$331 million earned during 1966.

Revenue of the transportation, storage, communication and electric power enterprises rose from \$1,546 million to \$1,660 million while their expenditure rose from \$1,603 million to \$1,737 million. The resultant loss of \$78 million in 1967 was \$22 million greater than that experienced in 1966 and was mainly due to an \$18 million loss for the Canadian National Railways.

A decrease of \$30 million in revenue for the wholesale trade and manufacturing enterprises along with a \$66 million increase in expenditure resulted in a 1967 net profit which was \$96 million lower than that earned in 1966. This decrease was primarily a result of a \$94 million decrease in net profits for the Canadian Wheat Board.

There were only minor variations in the profits or losses, of the other individual enterprises, from those of the prior year.

Absolute and percentage change in the major components of current revenue, current expenditure and net profit before income tax are illustrated in the preceding table.

Although revenue from sales and services increased by \$91 million over the previous year, it was considerably less than the increase in 1966 over 1965. This was mainly due to a decline in the sale of grain along with the continuing decline in sales of uranium and by the Canadian Arsenal Limited. Offsetting this decline was increased revenue from sales and services by transportation and communication enterprises. The Canadian National Railways and Air Canada recorded increased sales revenue of \$62 million and \$56 million respectively in 1967.

Financial income rose by \$54 million during 1967 due mainly to increased interest income earned by Central Mortgage and Housing Corporation, Farm Credit Corporation and the Industrial Development Bank.

Other income totalling \$186 million included rental income \$13 million; a contribution from the federal government toward net operating costs of

the Canadian Broadcasting Corporation, of \$137 million (\$26 million more than in 1966) and payments received by the Canadian Wheat Board under the Temporary Wheat Reserves Act, of \$24 million.

Total expenditure of federal enterprises increased from \$2,962 million in 1966 to \$3,212 million in 1967.

The cost of goods and services sold from current operations in 1967 amounted to \$2,676 million compared to \$2,488 million in 1966. The wages and salary component was \$86 million more due to increased payroll costs incurred, primarily by the transportation and communication enterprises. 1967 saw a net addition to inventories of \$9 million compared to a net withdrawal of \$58 million during 1966. Other purchases of goods and services increased by \$168 million during the year. The major increases in other goods and service costs were incurred by the Canadian Wheat Board (\$143 million) and by Air Canada (\$23 million).

Provision of \$181 million was made for depreciation and replacement costs, an increase of \$9 million over 1966.

Interest charges on debt amounted to \$342 million, an increase of \$50 million over 1966 due to increased borrowings under the National Housing Act and Farm Credit Act. The charges exclude

interest capitalized during construction of fixed assets. Of the total interest charges \$255 million was earned by the federal government, \$26 million by parent enterprises of subsidiaries and \$61 million by others, the latter being mainly from the Canadian National Railways.

Other miscellaneous expenditures increased by \$1 million during the year. Provision was made for income tax in the amount of \$18 million, \$3 million more than in 1966.

Net Surplus Transactions

Table 3 provides an analysis of the Unappropriated Surplus (item 11.6 Table 1). The balance of this amount decreased by \$58 million in 1967.

In addition to the credit of \$202 million arising from profits after income tax, surplus was credited with contributions from government with respect to operating deficits and with profits on the sale of fixed assets. The details of government contributions totalling \$77 million are provided in Table 5.

Remittances of surplus in the amount of \$13 million were made by enterprises to the federal government and \$312 million was paid to grain producers by the Canadian Wheat Board. Amounts totalling \$11 million were transferred to reserves.

TABLE 1. Assets, Liabilities and Net Worth, by Industry¹ as at Fiscal Year End Nearest to December 31, 1967

No.	Assets	Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance, real estate and other ²	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Cash on hand and on deposit	45,918	—	13,966	590	60,474	10,520	28,450	99,444
2	Accounts receivable.....	142,929	51	15,780	2,218	160,978	247,609	6,455	415,042
3	Inventories.....	101,070	142	10,445	1,503	113,160	695,257	—	808,417
4	Interest, dividends and rents receivable from								
	(ii) Federal government enterprises ³	4,249	—	—	—	4,249	—	—	4,249
	(vii) Other	1,013	—	—	—	1,013	—	25,992	27,005
	Sub-totals, item 4	5,262	—	—	—	5,262	—	25,992	31,254
5	Accrued revenue:								
	1. Interest owing from								
	(i) Federal government	—	—	—	—	—	—	81	81
	(iii) Provincial governments.....	—	—	—	—	—	—	54	54
	(v) Municipal governments	—	—	—	—	—	—	44	44
	(vii) Other	—	—	—	—	—	7,048	34,018	41,066
	Sub-totals	—	—	—	—	—	7,048	34,197	41,245
	2. Other	1,307	1,410	—	—	2,717	22	—	2,739
	Sub-totals, item 5.....	1,307	1,410	—	—	2,717	7,070	34,197	43,984
6	Prepaid expenses	3,168	—	764	—	3,932	201	806	4,939
7	Fixed assets	4,551,557	12,549	155,925	42,006	4,762,037	59,114	195,639	5,016,790*
8	Loans and advances receivable from								
	(i) Federal government	—	—	—	—	—	—	—	—
	(ii) Federal government enterprises ³	302,841 ⁴	—	—	—	302,841	—	—	302,841
	(v) Municipal governments	—	—	—	—	—	—	4,580	4,580
	(vii) Other	7,534 ⁴	—	—	—	7,534	125,353	837,325	970,217
	Sub-totals, item 8.....	310,375	—	—	—	310,375	125,353	841,905	1,277,633
9	Securities held as investments ⁷	63,145	—	963	—	64,108	32,183	21,952	118,243
10	Mortgages receivable and agreements for sale	10,069	—	—	—	10,069	6,632	3,937,939	3,954,640
11	Restricted funds:								
	1. Depreciation funds.....	53,324	—	—	—	53,324	—	—	53,324
	2. Trust and deposit accounts	—	—	—	—	—	—	—	—
	3. Other	28,805	—	—	—	28,805	—	347,168	375,973*
	Sub-totals, item 11 ⁷	82,129	—	—	—	82,129	—	347,168	429,297
12	Deferred charges:								
	1. Amortization of bond discount	13,444	—	—	—	13,444	—	2,304	15,748
	2. Other	23,246	—	—	—	23,246	1,791	133	25,170
	Sub-totals, item 12.....	36,690	—	—	—	36,690	1,791	2,437	40,918
13	Other assets:								
	1. Due on account of deficits from								
	(i) Federal government	—	—	—	—	—	—	6,056	6,056
	(iii) Provincial governments.....	56,857	—	—	—	56,857	—	—	56,857
	Sub-totals	56,857	—	—	—	56,857	—	6,056	62,913
	2. Unspecified.....	2,314	—	3,525	—	5,839	15	822	6,676
	Sub-totals, item 13.....	59,171	—	3,525	—	62,696	15	6,878	69,589
14	Total assets	5,412,790	14,152	201,368	46,317	5,674,627	1,185,745	5,449,818	12,310,190

¹Excludes Bank of Canada. See Table 8 for special presentation.²Includes Canadian Patents and Development Limited which, within the Standard Industrial Classification, is included under Public Administration.³Involves transactions, between subsidiary and parent government enterprises.⁴Net of accumulated depreciation: transportation, 1,407,496; communication, 81,284; electric power, 8,392; wholesale trade and manufacturing, 157,109; finance, insurance and real estate, 22,126; total, 1,676,407. Fixed assets include physical property held for sale by financial enterprises valued at 210,900 and an undetermined amount of interest capitalized during construction of fixed assets of transportation and communication utilities. They do not include government owned plants, broadcasting facilities and canal and other properties operated or administered by enterprises and valued at 90,253.⁵Consists of non-negotiable notes and debentures of subsidiary federal government enterprises which are classified under contra loan liabilities.⁶Receivable from non-government affiliates.⁷See Table 4 for analysis of investments held.⁸Offset against contra liability item 8.⁹Consists mostly of insurance funds and funds related to obligations of the Government of Canada under the Export Credits Insurance Act.

TABLE 1. Assets, Liabilities and Net Worth, by Industry¹ as at Fiscal Year End Nearest to December 31, 1967 - Concluded

No.	Liabilities and net worth	Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance, real estate and other ²	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Accounts payable	159,247	-	18,568	861	178,676	408,609	3,391	590,676
2	Temporary loans, advances and notes payable:								
	1. Bank loans and overdrafts	-	-	-	-	-	142,860	-	142,860
	2. Other	-	-	-	-	-	132,323	15,350	147,673
	Sub-totals, item 2	-	-	-	-	-	275,183	15,350	290,533
3	Interest payable to								
	(i) Federal government	36,757	-	-	513	37,270	-	-	37,270
	(ii) Federal government enterprises ³	4,249	-	-	-	4,249	-	-	4,249
	(vii) Other	1,209	-	-	-	1,209	-	-	1,209
	Sub-totals, item 3	42,215	-	-	513	42,728	-	-	42,728
4	Accrued expenditure:								
	1. Interest owing to								
	(i) Federal government	62,039	-	-	600	62,639	-	52,848	115,287
	(ii) Federal government enterprises ³	-	-	-	-	-	-	6,728	6,728
	(vii) Other	12,544	-	-	-	12,544	980	1	13,525
	Sub-totals	74,583	-	-	600	75,183	980	59,377	135,540
	2. Provision for income tax	6,481	-	955	-	7,436	303	3,921	11,660
	3. Other	17,721	-	-	-	17,721	13,261	2,328	33,310
	Sub-totals, item 4	98,785	-	955	600	100,340	14,544	65,626	180,510
5	Long-term loans and advances owing to								
	(i) Federal government	1,310,324	-	126,508	32,700	1,469,532	-	4,516,688	5,986,220
	(ii) Federal government enterprises ³	302,841	-	-	-	302,841	-	262,500	565,341
	(vii) Other	917	-	-	-	917	79,895	5,776	86,588
	Sub-totals, item 5	1,614,082	-	126,508	32,700	1,773,290	79,895	4,784,964	6,638,149
6	Long-term debt:								
	1. Bonds and debentures	1,198,736	-	-	-	1,198,736	-	-	1,198,736
	2. Other	17	-	-	-	17	-	-	17
	Sub-totals, item 6	1,198,753 ¹⁰	-	-	-	1,198,753	-	-	1,198,753
7	Deferred credits:								
	1. Deferred revenue	12,846	-	-	-	12,846	-	34,725	47,571
	2. Other	23,968	-	-	-	23,968	-	-	23,968
	Sub-totals, item 7	36,814	-	-	-	36,814	-	34,725	71,539
8	Trust and deposit accounts - net	-	-	-	16	16	73	4,534	4,623
9	Liability reserves:								
	1. Provision for future income taxes	-	-	2,250	-	2,250	8,424	141,137	151,811
	2. Other	29,954	-	-	-	29,954	1,587	211,722	243,263
	Sub-totals, item 9	29,954	-	2,250	-	32,204	10,011	352,859	395,074
10	Other liabilities	41,095	-	644	61	41,820	1,399	1,326	44,545 ¹¹
11	Proprietary equity (net worth):								
	2. Capital stock held by								
	(i) Federal government	1,460,334	-	-	-	1,460,334	36,586	40,296	1,537,216
	(ii) Federal government enterprises ³	5,184	-	-	-	5,184	-	44,000	49,184
	(vii) Other	4,349 ¹²	-	-	-	4,349	-	-	4,349
	Sub-totals	1,469,867	-	-	-	1,469,867	36,586	84,296	1,590,749
	2. Interest-free working capital provided by								
	(i) Federal government	-	3	9,000	-	9,003	15,000	-	24,003
	3. Fixed assets transferred by								
	(i) Federal government	639,899	12,549	1,020	-	653,468	-	-	653,468
	4. Other equity held by								
	(i) Federal government	207,333	-	22,799	7,382	237,514	13,757	40,500	291,771
	(vii) Other	-	-	-	-	-	21	14,890	14,911
	Sub-totals	207,333	-	22,799	7,382	237,514	13,778	55,390	306,682
	5. Equity reserves:								
	(1) Contingencies	-	-	-	-	-	223	-	223
	(2) Plant expansion	-	-	-	2,190	2,190	-	-	2,190
	(3) Other	7,410	-	-	757	8,167	182	-	8,349
	Sub-totals	7,410	-	-	2,947	10,357	405	-	10,762
	6. Unappropriated surplus	- 132,664	1,600	19,624	1,217	- 110,223	330,262	47,357	267,396
	Sub-totals, item 11	2,191,845	14,152	52,443	11,546	2,269,986	396,031	187,043	2,853,060
12	Total liabilities and net worth	5,412,790	14,152	201,368	46,317	5,674,627	1,185,745	5,449,818	12,310,190

¹⁰ 1,196,694 of this amount is guaranteed by federal government.
¹¹ Includes holdbacks on construction, 2,447.
¹² Capital stock on non-government subsidiaries held by the public.

NETS
item 1

CHART - I

ASSETS AND LIABILITIES BY TYPE AND BY INDUSTRY 1966-1967

(MILLIONS OF DOLLARS)

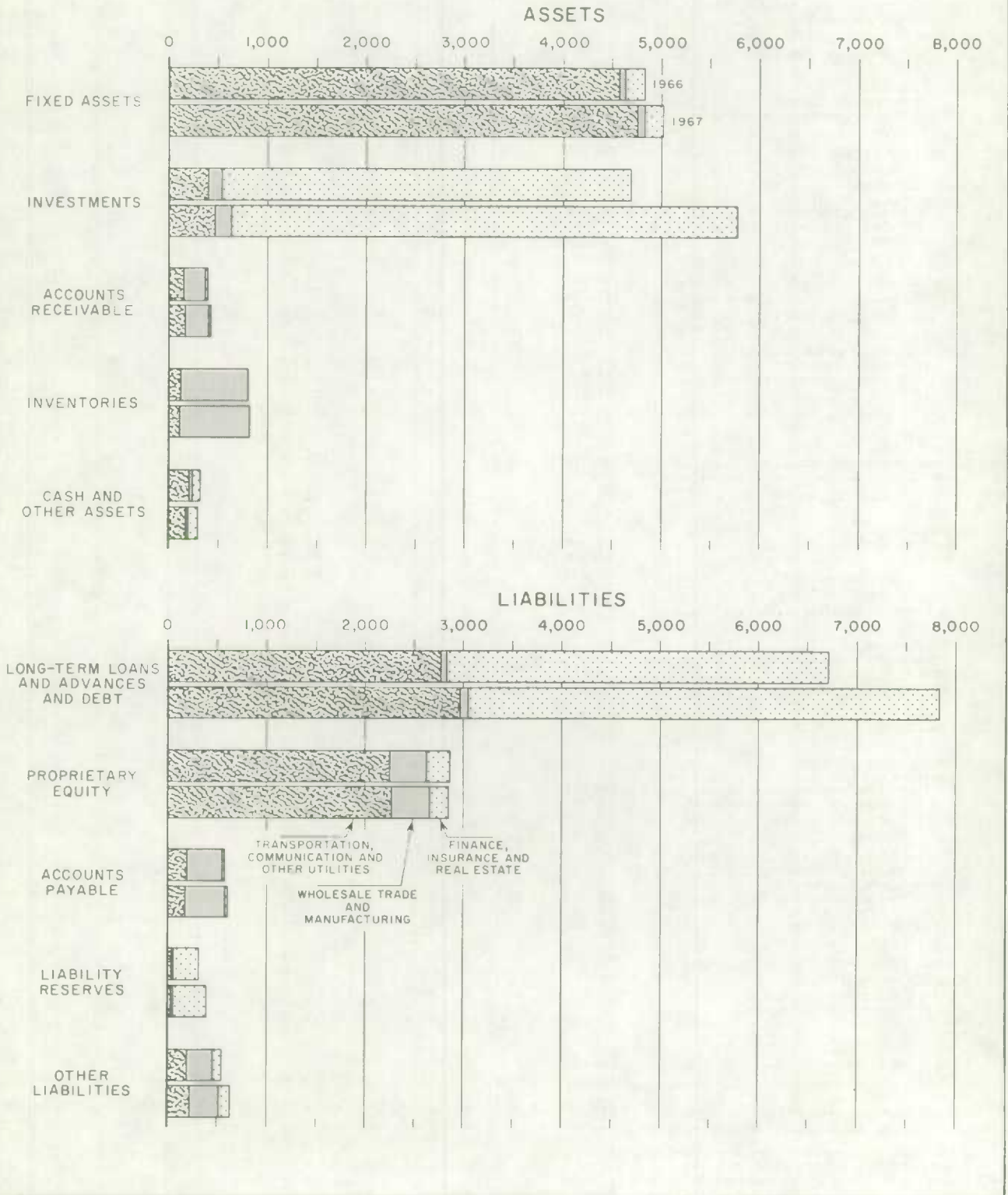
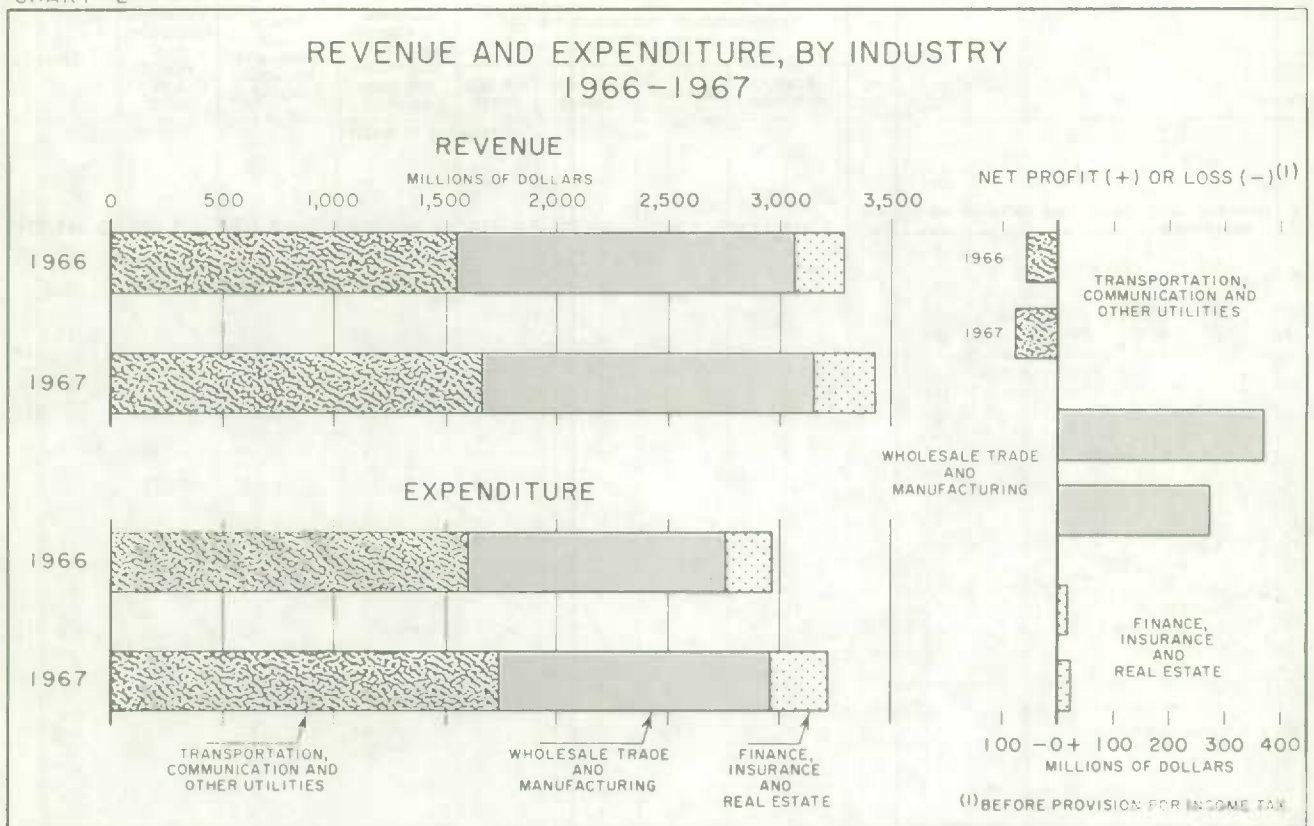


TABLE 2. Current Revenue and Expenditure, by Industry¹ for the Fiscal Year Ended Nearest to December 31, 1967

No.		Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance, real estate and other ²	Total
		Transportation	Storage	Communication	Electric power				
		thousands of dollars							
	Revenue								
1	Revenue from sales and services on current operations.....	1,408,143 ³	1,997	63,236	6,416	1,479,792	1,462,424	7,685	2,949,901
2	Financial income:								
	1. Interest from:								
	(i) Federal government	3,165	—	574	71	3,810	112	6,214	10,136
	(ii) Federal government enterprises	13,857	—	—	—	13,857	—	—	13,857
	(iii) Provincial governments	209	—	—	—	209	—	—	209
	(v) Municipal governments	—	—	—	—	—	37	2,226	2,263
	(vii) Other	5,196	—	—	—	5,196	3,811	251,687	260,694
	Sub-totals	22,427	—	574	71	23,072	3,960	260,127	287,159
	2. Other	5,787	—	—	—	5,787	—	488	6,275
	Sub-totals, item 2	28,214	—	574	71	28,659	3,960	260,615	293,434
3	Rental income	4,864	—	—	—	4,864	—	8,480	13,344
4	Contributions from own or other levels of government:								
	(i) Federal ⁴	—	98	136,613	—	136,711	—	—	136,711
5	Other current income	8,479	79	892	68	9,518	26,087	510	36,115
6	Total current revenue	1,449,700	2,174	201,315	6,555	1,659,744	1,492,471	277,290	3,429,505
	Expenditure								
1	Cost of goods and services sold from current operations:								
	1. Wages and salaries	711,700	813	82,295	2,347	797,155	42,564	23,753	863,472
	2. Net drawings on (+) or net additions to (-) inventories	- 2,789	122	2,927	203	463	- 9,234	—	- 8,771
	3. Other purchases of goods and services	533,128	867	96,047	1,873	631,915	1,170,680	19,078	1,821,673
	Sub-totals, item 1	1,242,039	1,802	181,269	4,423	1,429,533	1,204,010	42,831	2,676,374
2	Provision for depreciation and replacement	155,233	—	14,964	701	170,898	8,157	2,137	181,192
3	Interest on debt to:								
	(i) Federal government	52,363	—	6,193	1,347	59,903 ⁵	—	195,101	255,004
	(ii) Federal government enterprises	13,857	—	—	—	13,857	—	12,191	26,048
	(vii) Other	55,280	—	—	—	55,280	6,026	140	61,446
	Sub-totals, item 3	121,500	—	6,193	1,347	129,040	6,028	207,432	342,498
4	Other current expenditure	7,809	—	—	—	7,809	—	3,781	11,590
5	Total current expenditure	1,526,581	1,802	202,426	6,471	1,737,280	1,218,193	256,181	3,211,654
6	Net profit (+) or loss (-) before provision for income tax	- 76,881	372	- 1,111	84	- 77,536	274,278 ⁶	21,109	217,851
7	Estimated income tax	3,590	—	3,970	—	7,560	1,139	9,154	17,853
8	Net profit (+) or loss (-) after provision for income tax	- 80,471	372	- 5,081	84	- 65,096	273,139	11,955	199,998
9	Total current expenditure plus net profit or minus loss	1,449,700	2,174	201,315	6,555	1,659,744	1,492,471	277,290	3,429,505

¹ Excludes Bank of Canada, see Table 6.² Includes Canadian Patents and Development Limited which, within the Standard Industrial Classification, is included under Public Administration.³ Includes subsidies paid by the federal government to Canadian National Railway Company; Maritime Freight Rates Act, 12,100; payment under the National Transportation Act, 63,080; total, 75,180.⁴ See Table 5 for contributions from federal government taken into current revenue and surplus accounts.⁵ Excludes interest capitalized during construction of fixed assets, 1,031.⁶ Includes profits of The Canadian Wheat Board which are distributed to grain producers.

CHART - 2

TABLE 3. Net Surplus Account Transactions, by Industry¹ for the Fiscal Year Ended Nearest to December 31, 1967

No.		Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance, real estate and other ²	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Balance at beginning of year	- 121,333	747	22,846	1,342	- 96,398	372,091	46,587	322,280
2	Net profit or loss for the year after provision for income tax ³	- 78,030	372	- 5,082	84	- 82,656	273,139	11,954	202,437
3	Net profit or loss on sale or retirement of fixed assets	1,930	-	- 52	- 209	1,669	8	4,324	6,001
4	Net transfer from (+) or to (-) reserves	- 813	-	-	-	- 813	-	- 9,929	- 10,742
5	Other adjustments (net)	- 4,000	-	- 978	-	- 4,978	- 74	693	- 4,359
6	Contributions from own or other levels of government:								
	(i) Federal ⁴	69,941	481	2,890	-	73,312	-	3,809	77,121
7	Remittances of surplus:								
	1. Dividends paid to:								
	(i) Federal government	-	-	-	-	-	3,000	-	3,000
	(ii) Federal government enterprises	- 200	-	-	-	200	-	-	200
	2. Other remittances to:								
	(i) Federal government	-	-	-	-	-	306	- 10,081	- 10,387
	(ii) Federal government enterprises	- 158	-	-	-	158	-	-	158
	(vii) Other	-	-	-	-	-	- 311,596	-	- 311,596
	Sub-totals, item 7	- 356	-	-	-	358	- 314,902	- 10,081	- 325,341
8	Net additions (+) or deductions (-)	- 11,330	853	- 3,222	- 125	- 13,824	- 41,829	770	- 54,884
9	Balance at end of year	- 132,663	1,600	19,624	1,217	- 110,222	330,262	47,357	267,307

¹ Excludes Bank of Canada see Table 7.² Includes Canadian Patents and Development Limited which, within the Standard Industrial Classification, is included under Public Administration.³ Item 8, Expenditure, Table 2.⁴ See Table 5 for contributions from federal government taken into current revenue and surplus accounts.

TABLE 4. Analysis of Securities Held as Investments¹ including those in Restricted Funds, by Industry, as at Fiscal Year End Nearest to December 31, 1967 (Asset items 9 and 11)²

No.		Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance, real estate and other ³	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Federal government treasury bills:								
	Asset item 9.....	14,035	—	—	—	14,035	897	1,895	16,827
2	Federal government direct and guaranteed bonds:								
	Asset item 9.....	115	—	963	—	1,078	547	20,057	21,682
	Asset item 11.....	56,301	—	—	—	56,301	—	128,521	184,822
	Sub-totals.....	56,416	—	963	—	57,379	547	148,578	206,504
3	Provincial and municipal government direct and guaranteed bonds:								
	Asset item 9.....	—	—	—	—	—	684	—	684
	Asset item 11.....	13,898	—	—	—	13,898	—	—	13,898
	Sub-totals.....	13,898	—	—	—	13,898	684	—	14,592
4	Bonds of companies incorporated in Canada and of institutions:								
	Asset item 9.....	30,687	—	—	—	30,687	—	—	30,687
	Asset item 11.....	2,014	—	—	—	2,014	—	—	2,014
	Sub-totals.....	32,701	—	—	—	32,701	—	—	32,701
5	Preferred and common stock, Canadian:								
	(ii) Federal Government enterprises: ³								
	Asset item 9.....	5,004	—	—	—	5,004	187	—	5,191
	(vii) Other:								
	Asset item 9.....	9,564	—	—	—	9,564	—	—	9,564
	Sub-totals.....	14,568	—	—	—	14,568	187	—	14,755
6	Foreign investments:								
	Asset item 9.....	3,740	—	—	—	3,740	29,868	—	33,608
	Asset item 11.....	39	—	—	—	39	—	—	39
	Sub-totals.....	3,779	—	—	—	3,779	29,868	—	33,647
7	Total securities:								
	Asset item 9.....	63,145	—	963	—	64,108	32,183	21,952	118,243
	Asset item 11.....	72,252	—	—	—	72,252	—	128,521	200,773
	Grand totals.....	135,397	—	963	—	136,360	32,183	150,473	319,016

¹Excludes Bank of Canada.

²In addition, other assets held in Restricted Funds are as follows:

	Transportation, communication and other utilities	Finance, insurance, real estate and other	Total
Cash.....	13,878	750	14,628
Accrued interest: (i) Federal government.....	—	1,882	1,882
(vii) Other.....	—	359	359
Real estate.....	—	9,699	9,699
Mortgages.....	—	64,806	64,806
Other assets.....	— 4,001	141,151 ⁷	137,150
Totals.....	9,877	218,647	228,524

³Includes Canadian Patents and Development Limited which, within the Standard Industrial Classification, is classified under Public Administration.

⁴Of this amount, 26,908 represents the value of bonds of non-government affiliates.

⁵Involves transactions between subsidiary and parent government enterprises.

⁶Investments in non-government affiliates.

⁷Of this amount, 141,137 represents obligation of the Government of Canada under Section 21 A of the Export Credits Insurance Act.

TABLE 5. Contributions from Federal Government taken into Current Revenue and Surplus Accounts¹ for Fiscal Year Ended Nearest to December 31, 1967

	Thousands of dollars
Current revenue:	
Canadian Broadcasting Corporation:	
Grant in respect of net operating requirements	136,613
Canadian Government Elevators:	
Services provided without charge by government departments	98
Farm Credit Corporation:	
Payment for carrying out the purposes of the Farm Machinery Syndicates Credit Act	-
Sub-total, current revenue	136,711
Surplus account:	
Contributions towards operating deficits:	
Canadian Broadcasting Corporation	2,890
Canadian Government Elevators	481
Canadian National Railway System:	
Canadian National Railways	35,869
Newfoundland Car Ferry	16,527
Prince Edward Island Car Ferry	4,789
Farm Credit Corporation	3,809
National Harbours Board	2,236
The St. Lawrence Seaway Authority	10,520 ²
Sub-total, surplus account	77,121
Total contributions from federal government taken into current revenue and surplus accounts	213,832

¹ In addition two of the enterprises received production cost subsidies.

² Includes 8,225 contribution toward operating deficits of the Welland Canal for the year.

TABLE 6. Comparative Current Revenue and Expenditure of the Bank of Canada for Fiscal Years Ended Nearest to December 31, 1967 and 1966

No. ¹		1967	1966	Change
		thousands of dollars		
	Revenue			
2	Financial income:			
	(i) Federal government			
	(ii) Federal government enterprises	193,444	164,490	28,954
	(iii) Other			
6	Total current revenue	193,444	164,490	28,954
	Expenditure			
1	Cost of goods and services sold from current operations:			
	1. Wages and salaries	6,619	5,808	811
	3. Other purchases of goods and services	9,742	8,040	1,702
	Sub-totals, item 1	16,361	13,848	2,513
3	Interest on debt to			
	(vii) Other - Interest paid on unclaimed balances	59	57	2
5	Total current expenditure	16,420	13,905	2,515
6	Net profit (+) or loss (-) before provision for income tax	177,024	150,585	26,439
9	Total current expenditure plus net profit or minus loss	193,444	164,490	28,954

¹ Item numbers correspond with those in Table 2.

TABLE 7. Comparative Net Surplus Account Transactions of the Bank of Canada for the Fiscal Years Ended Nearest to December 31, 1967 and 1966

No. ¹		1967	1966	Change
		thousands of dollars		
1	Balance at beginning of year	-	-	-
2	Net profit or loss for the year	177,024	150,585	26,439
7	Remittances of surplus:			
	2. Other remittances to			
	(i) Federal government: Paid to the Receiver General of Canada for credit of the consolidated revenue fund	177,024	150,585	26,439
8	Net additions (+) or deductions (-)	-	-	-
9	Balance at end of year	-	-	-

¹ Item numbers correspond with those in Table 3.

TABLE 8. Comparative Assets and Liabilities of the Bank of Canada as at Fiscal Years Ended Nearest to December 31, 1967 and 1966

No. ¹		1967	1966	Change
		thousands of dollars		
	Assets			
1	Cash on hand and on deposit:			
	Foreign exchange – Pounds sterling and U.S.A. dollars	90,641	54,906	35,735
	Other currencies	252	244	8
	Sub-totals, item 1	90,893	55,150	35,743
5	Accrued revenue:			
	1. Interest – Accrued interest on investments from			
	(i) Federal government			
	(ii) Federal government enterprises	46,474	43,223	3,251
	(vii) Other			
7	Fixed assets:			
	Bank premises – Land, buildings and equipment – at cost less depreciation	17,348	16,542	806
8	Loans and advances receivable from			
	(ii) Federal government enterprises: Debentures Issued by Industrial Development Bank	270,231	239,777	30,454
	(vii) Other: Chartered and savings banks	3,000	—	3,000
	Sub-totals, item 8	273,231	239,777	33,454
9	Securities held as investments:			
	1. Federal government treasury bills	538,304	409,110	129,194
	2. Federal government direct and guaranteed bonds	3,209,804	3,010,181	199,623
	7. Preferred and common stock, Canadian:			
	(ii) Federal government enterprises: Industrial Development Bank, total share capital at cost	45,000	42,000	3,000
	8. Foreign investments: Other securities, U.S.A. Government	10,710	171,739	- 161,029
	Sub-totals, item 9	3,803,818	3,633,030	170,788
13	Other assets:			
	Cheques on other banks	105,584	153,208	- 47,624
	Net balance of Government of Canada collections and payments in process of settlement	72,996	64,644	8,352
	Other	1,260	1,202	78
	Sub-totals, item 13	179,860	219,074	- 39,214
14	Total assets	4,411,624	4,206,796	204,828
	Liabilities			
2	Temporary loans, advances and notes payable:			
	2. Other loans and advances:			
	(i) Federal government:			
	Deposits, Government of Canada	42,171	34,060	8,111
	Liabilities payable in pounds sterling, U.S.A. dollars and other foreign currencies	32,368	31,464	904
	Sub-totals	74,539	65,524	9,015
	(vii) Other:			
	Deposits of chartered banks and others	1,062,017	1,111,258	- 49,241
	Liabilities payable in pounds sterling, U.S.A. dollars and other foreign currencies	2,451	5,460	- 3,009
	Others	37,926	29,728	8,198
	Sub-totals	1,102,394	1,146,446	- 44,052
	Sub-totals, item 2.2	1,176,933	1,211,970	- 35,037
	3. Notes: Notes in circulation	2,978,940	2,733,634	245,306
	Sub-totals, item 2	4,155,873	3,945,604	210,269
10	Other liabilities:			
	Bank of Canada cheques outstanding	224,407	229,491	- 5,084
	Other liabilities	1,344	1,701	- 357
	Sub-totals, item 10	225,751	231,192	- 5,441
11	Proprietary equity (net worth):			
	1. Capital stock held by			
	(i) Federal government: Capital paid up	5,000	5,000	—
	5. Equity reserves: Rest fund	25,000	25,000	—
	Sub-totals, item 11	30,000	30,000	—
	Total Liabilities	4,411,624	4,206,796	204,828

¹ Item numbers correspond with those in Table 1.

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